



PT SARATOGA INVESTAMA SEDAYA TBK

FY16 and 1Q17 results

May 2017

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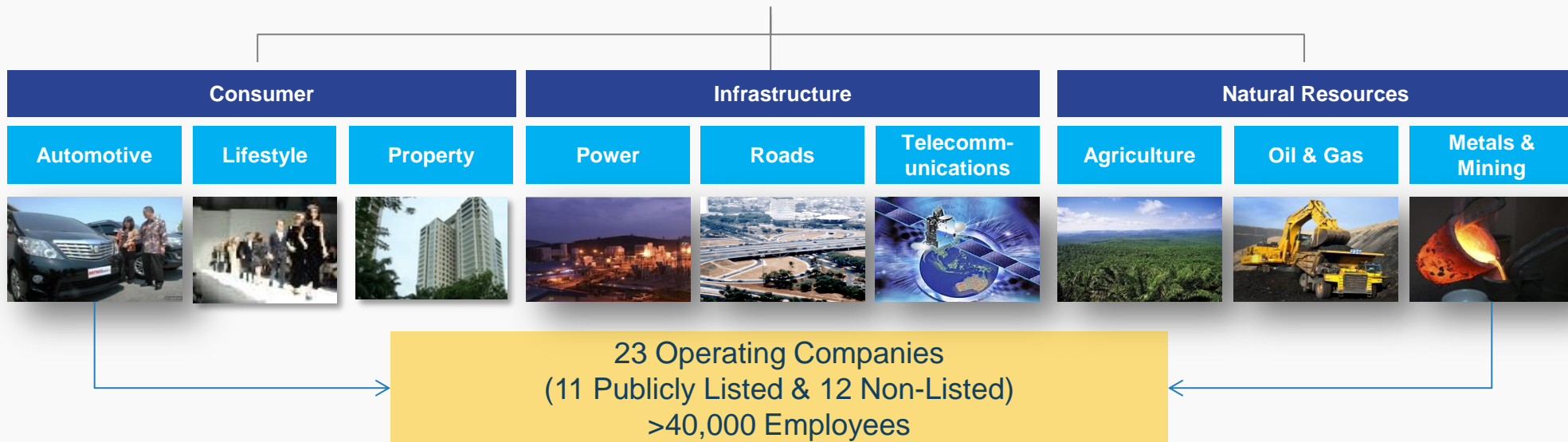
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CORPORATE INFORMATION

Saratoga – A Leading Active Investment Company

- Leading active investment company in Indonesia with NAV of c.US\$1.5 billion
- Listed in 2013 and is among the top 100 largest market capitalization stocks on the IDX
- Focused on early-stage, growth-stage, and special situation opportunities
- Actively engaged with investee companies’ management teams in unlocking value of investments
- Invested in key sectors of the Indonesian economy: Consumer, Infrastructure and Natural Resources






Diversified Investment Portfolio



We invest across the three key sectors in early and growth stages with the goal of creating listed blue chip companies



	Early Stage Companies	Growth Companies	Listed Blue Chip Companies	
	<ul style="list-style-type: none"> ✓ Early-stage companies provide large upside potential ✓ Ability to acquire larger stakes allows SIS to exert significant influence, develop company strategy and products and generate strong return 	<ul style="list-style-type: none"> ✓ Growth companies generate sustainable and healthy cash flows for SIS' portfolio ✓ Provides great upside potential when growth companies enter into mature phases 	<ul style="list-style-type: none"> ✓ Blue-chip Investee Companies are established industry leaders with growth and capital appreciation opportunities ✓ SIS to remain a long-term shareholder in these businesses 	% Sum of the Parts (SOTP)
	Natural Resources Sihayo Copper Gold <i>Gold</i> Sumatra Copper & Gold <i>Gold</i> Finders Resources <i>Copper</i> Agro Maju Raya <i>Palm</i> Agra Energi Indonesia <i>Oil & Gas</i>	Merdeka Copper Gold <i>Gold & Copper</i> Provident Agro <i>Palm</i> Interra Resources <i>Oil & Gas</i>	Adaro Energy <i>Coal & Power</i>	52%
	Infrastructure Tenaga Listrik Gorontalo <i>Power</i>	Medco Power Indonesia <i>Power</i> Paiton Energy <i>Power</i> Tri Wahana Universal <i>Refinery</i> Nusa Raya Cipta <i>Construction</i> Seroja Investment <i>Shipping</i> Sinar Mentari Prima <i>Shipping</i>	Tower Bersama Infrastructure <i>Telco Tower</i>	38%
	Consumer	Mitra Pinasthika Mustika <i>Auto</i> Gilang Agung Persada <i>Lifestyle</i> Etika Karya Usaha <i>Property</i> Mulia Bosco Logistik <i>Logistics</i> Awal Bros Hospital <i>Healthcare</i> Deltomed <i>Herbal Medicine</i>		10%

SOTP

2%

27%

71%

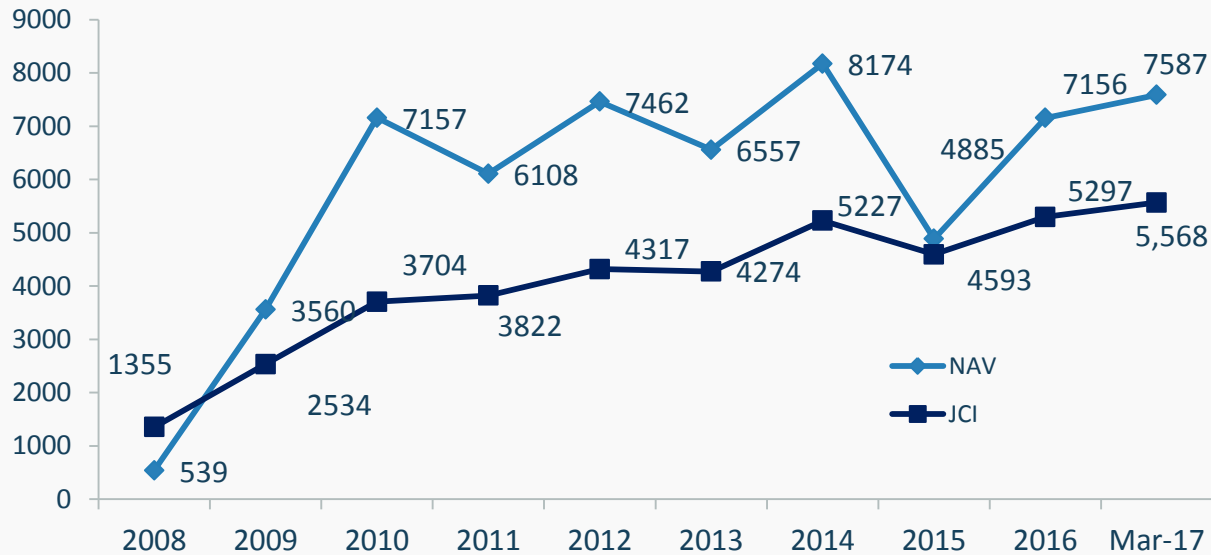
Listed investment companies in bold
 Data presented are as of 31 March 2017
 IDR/USD as of 31 March 2017 = 13,321
 Source: Company information



Net Asset Value per Share Growth

Saratoga has maintained a consistent track record of increasing net asset value and outperforming the Jakarta Composite Index

Figures in IDR



NAV per Share⁽¹⁾⁽²⁾
CAGR-8 years = 39.17%

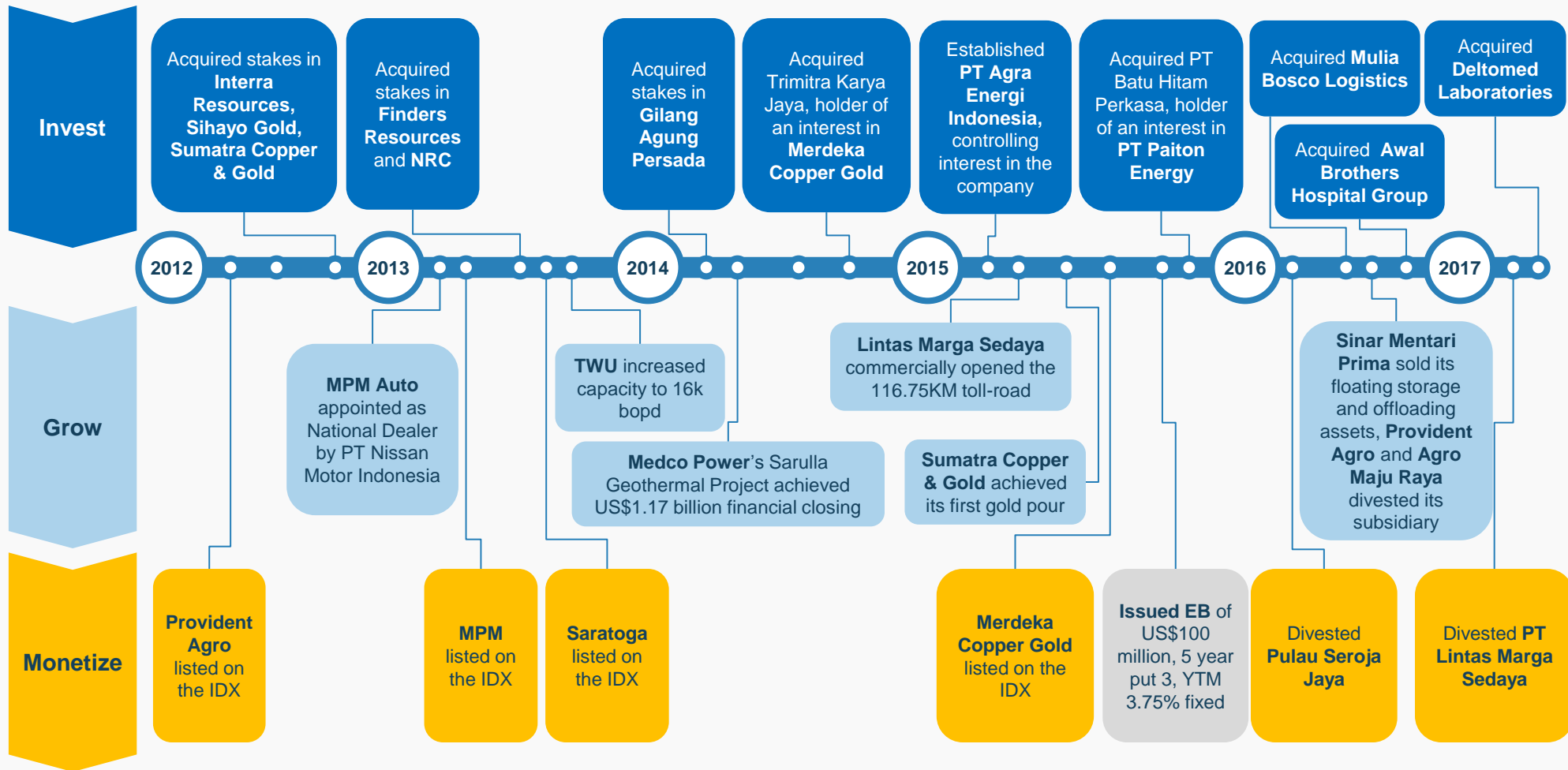
Jakarta Composite Index (JCI)
CAGR-8 years = 19.32%

Company Listing

ADRO	TBIG	PALM	MPMX SRTG	MDKA
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- (1) NAV per Share is adjusted on capital raising. The information contained in this document is intended solely for the use of our internal reference. We make no representations or warranties, express or implied, with respect to the information herein.
- (2) For NAV per Share between 2008 and 2014, valuation of listed investee companies are calculated based on 2W VWAP as of year end close. Due to the implementation of new accounting standards in 2016, the 2015 and 2016 calculations for listed investee companies are based on their respective closing share price as of 31 December 2016

Invest → Grow → Monetize Investment Approach



Data presented are as of 31 Dec 2016
 IDR/USD as of 31 Dec 2016 = 13,436
 Source: Company information



INVESTMENT ACTIVITIES



Investment Opportunity Selection

Despite market conditions, we select new investments in a **disciplined and prudent approach**. We consistently managed to gather 100+ opportunities and **executed 2-3 new investments annually**



Data presented are as of Dec 2016
Source: Company information



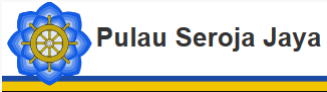
Investments and Divestments in Q117

We increased our overall exposure to the consumer sector and plan to continue growing our exposure in this space

	New investments	Divestments
Investment details	 <p>Date of Investment: March 2016 Invested Capital: IDR 85.75 billion</p>	 <p>Date of Investment: 2006 Sale proceeds: IDR900 billion</p>
Investment / divestment thesis	<ul style="list-style-type: none"> • Leading player in herbal remedy industry • Established brand equity. • Scalability and ample growth opportunity through increasing healthy living trends and growing middle income. 	<p>A long term investment project since 2006. As the toll-road has been built and the operation has commenced the firm decide to divest and deploy capital elsewhere.</p>
Company description	<ul style="list-style-type: none"> • Deltomed is one of the leading herbal remedy players in Indonesia. Deltomed's product, Antangin, is the second largest herbal wind flu remedy brand by market share, while OB Herbal is the market leader for herbal cough medicine in Indonesia. • Uniquely positioned as one of the few producers with vertically integrated operations and strong distribution network. 	<p>LMS is an infrastructure company established in 2005 to construct and operate a 116 kilometer toll road that will connect Cikampek and Palimanan in West Java and that will eventually become part of the Trans Java Toll Road network.</p>

Investments and Divestments in 2016

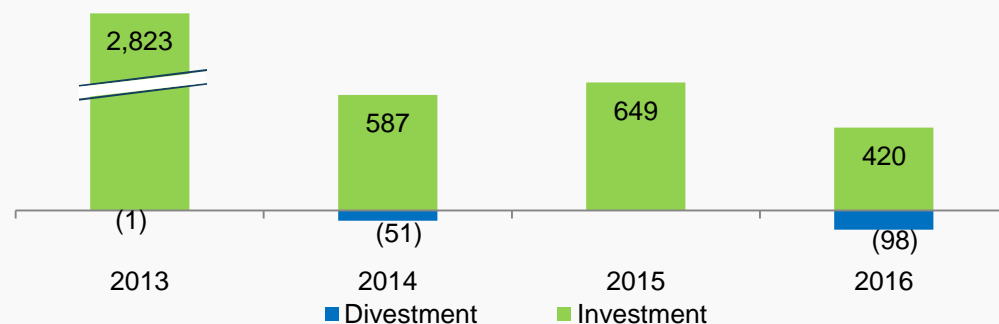
We increased our overall exposure to the consumer sector and plan to continue growing our exposure in this space

	New investments		Divestments	Other notable divestments
				
Investment details	Date of Investment: January 2016 Invested capital: IDR32 billion	Date of Investment: October 2016 Invested capital: IDR75 billion	Date of Investment: 2008 Sale proceeds: IDR98 billion	Palm plantation assets owned by Provident Agro at a market premium price per hectare
Investment / divestment thesis	<ul style="list-style-type: none"> High demand on vital logistics infrastructure Scalable business Reputable brand Limited players in the segment 	<ul style="list-style-type: none"> High growth prospects Relatively defensive nature of business Scalability Leading quality healthcare provider 	Unwinding exposure in the shipping industry due to the slowdown of the underlying sector and global economy.	
Company description	<ul style="list-style-type: none"> Provides refrigerated trucking service serving FMCG blue-chip clients, connecting over 20 cities and operates cold storage facilities in North Jakarta MBL aims to scale up its business to deliver end-to-end cold chain logistics benefits for its clients 	<ul style="list-style-type: none"> Hospital group that operates 9 hospitals in Jakarta, Bekasi, Tangerang, Pekanbaru, Batam and Makasar under the Awal Bros brand Largest hospital operator for BPJS, Indonesia's Social Security Organising Body 	Provides services include freight charters for shipments of dry bulk goods, thermal coal, sand and other mineral resources.	

Investments and Divestments

2016 has proven to be a successful year based on the invest-grow-monetize business model we have set out to achieve

Figures in IDR billion



	2013	2014	2015	2016
Investment	<ul style="list-style-type: none"> Finders Resources Nusa Raya Cipta Mitra Pinasthika Mulia (MPMX) 	<ul style="list-style-type: none"> Gilang Agung Persada Merdeka Copper & Gold (MDKA) 	<ul style="list-style-type: none"> Agra Energi Paiton Energy 	<ul style="list-style-type: none"> Mulia Bosco Logistik Famon Awal Bros Sedaya
Divestment		<ul style="list-style-type: none"> Partial sale of investee company 		<ul style="list-style-type: none"> Pulau Seroja Jaya Palm plantation assets
Listing	<ul style="list-style-type: none"> MPMX SRTG 		<ul style="list-style-type: none"> MDKA 	

IDR billion		2015	2016
New investments		304	131
Follow-on investments	Natural Resources	232	121
	Infrastructure	107	138
	Consumer	-	26
Share buy back		6	3
Total investments		649	420
Divestments		-	98



FINANCIAL HIGHLIGHTS

Highlights of Q1' 2017



Consolidated Statement of Profit and Loss (IDR millions)	Q1 2017	Q1 2016	% variance
Income	858,477	3,254,756	(73.6%)
Expenses	(115,550)	(121,614)	(5.0%)
Profit before tax	742,927	3,133,142	(76.3%)
Income tax	28,038	224	nm
Profit for the period	770,965	3,133,366	(75.4%)
<i>Attributable to owners of the company</i>	<i>873,859</i>	<i>2,935,673</i>	<i>(70.2%)</i>
<i>Attributable to non-controlling interests</i>	<i>(102,894)</i>	<i>197,693</i>	<i>nm</i>
Other comprehensive income	499,589	(1,247,369)	nm
Total comprehensive income for the period	1,270,554	1,885,997	(32.6%)
<i>Attributable to owners of the company</i>	<i>1,333,693</i>	<i>1,716,658</i>	<i>(22.3%)</i>
<i>Attributable to non-controlling interests</i>	<i>(63,139)</i>	<i>169,339</i>	<i>(137.3%)</i>

Key Balance Sheet Items (IDR millions)	Mar 2017	Dec 2016	% variance
Investment in equity securities	24,181,966	23,801,617	1.6%
Cash and cash balances	1,167,532	488,439	139.0%
Borrowings	4,523,743	4,574,832	(1.1%)
Total liabilities	5,418,105	5,777,735	(6.2%)
Equity attributable to shareholders	20,462,877	18,984,334	7.8%

Key highlights:

Q1'17 performance mainly driven by the share price movement of listed investee companies:

Increase in share price and contribution to

- TBIG (IDR4,980 to IDR5,450): IDR760 billion
- ADRO (IDR1,695 to IDR1,750): IDR284 billion
- MDKA (IDR2,000 to IDR 2,500): IDR340 billion

Decrease in share price

- PALM (IDR 456 to IDR 400) which has adversely impacted our value by IDR176 billion

Divestment

- Completed the sale of PT Lintas Marga Sedaya – operator of Cipali toll-road on 17 January 2017

Key variances:

Decrease in income

- The decrease in income was due to first implementation implication on SFAS 65 (IFRS 10) – on investment entity.

Increase in income tax

- Reversal on deferred tax, as a result on sale of investment asset

Increase in other comprehensive income

- Due to mark to market from AFS portfolio, majorly coming from Adaro shares.

Key Financial Statement – FY2016

Figures in IDR billion

Profit & Loss Statement		Statement of Financial Position	
Unrealized net gain on investment in equity securities ⁽¹⁾	6,344	Cash and cash equivalents	488
Dividend Income	622	Restricted cash	270
Net gain on FX differences	91	Investment in equity securities	23,802
Other income	422	Advances for investment in equity securities	69
		Others	515
		Total Assets	25,144
Total Income	7,478	Borrowings	2,792
Interest Cost	(283)	Medium Term Notes	721
Operating Expenses (incl. Salary)	(144)	Exchangeable Bond	1,062
Other Costs	(467)	Deferred Tax	847
		Others	356
Total Expenses	(893)	Total Liabilities	5,778
Profit for the period attributable to shareholders	5,670	Net Equity attributable to shareholders	18,985
		Net Asset Value of investment portfolio⁽²⁾	19,540

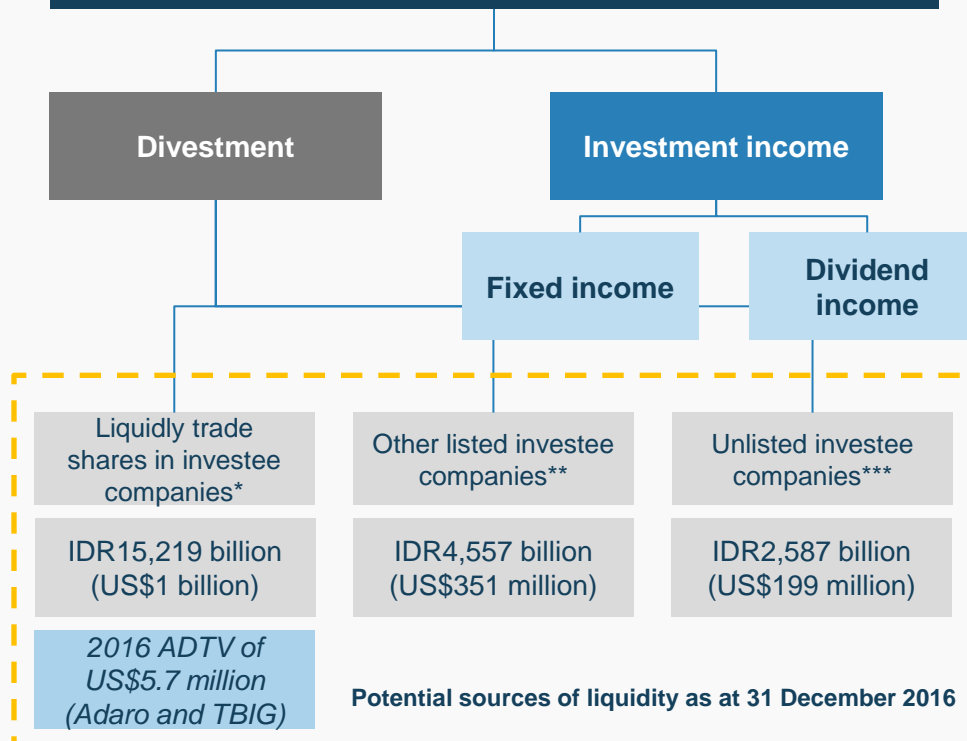
(1) Includes one-off gain of IDR3,395 billion due to the change in financial reporting

(2) NAV accounted exchangeable bond on a cash basis instead of fair value

Diversified Sources of Cash and Liquidity

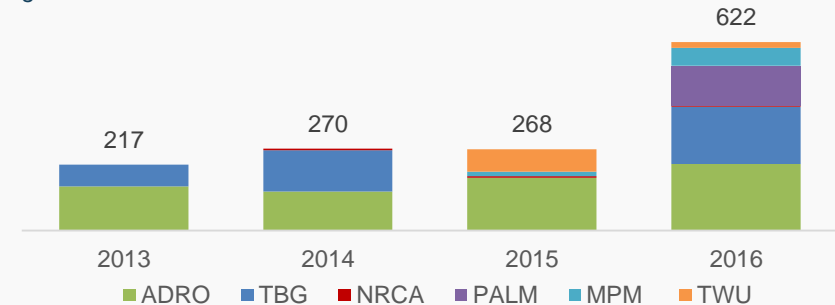
Record amount of dividends in 2016 and highest since Saratoga became a listed company in 2013

Mutiple sources of cash and liquidity



Dividend income breakdown

Figures in IDR billion



IDR billion	2013	2014	2015	2016
ADRO	145	129	174	219
TBIG	72	136	-	190
NRCA	-	5	5	3
PALM	-	-	-	132
MPM	-	-	15	59
TWU	-	-	74	19
Total dividends	217	270	268	622
# of investees	2	3	4	6

* Consist of Adaro Energy and Tower Bersama

** Consist of Provident Agro, Mitra Pinasthika Mustika, Seroja Investment Limited, Nusa Raya Cipta, Sumatra Copper and Gold, Sihayo Gold, Finders Resources and Interra Resources, Merdeka Copper Gold

*** Consist of Etika Karya Usaha, Tenaga Listrik Gorontalo, Medco Power Indonesia, Agro Maju Raya, Lintas Marga Sedaya, Sinar Mentari Prima, Tri Wahana Universal, Agra Energi Indonesia, Batu Hitam Perkasa and Pulau Seroja Jaya

Data presented are as of Dec 2016, unless specified otherwise

IDR/USD as of 31 Dec 2016 = 13,436

Source: Company information

Strong Capital Structure Backed by Diverse Funding Sources

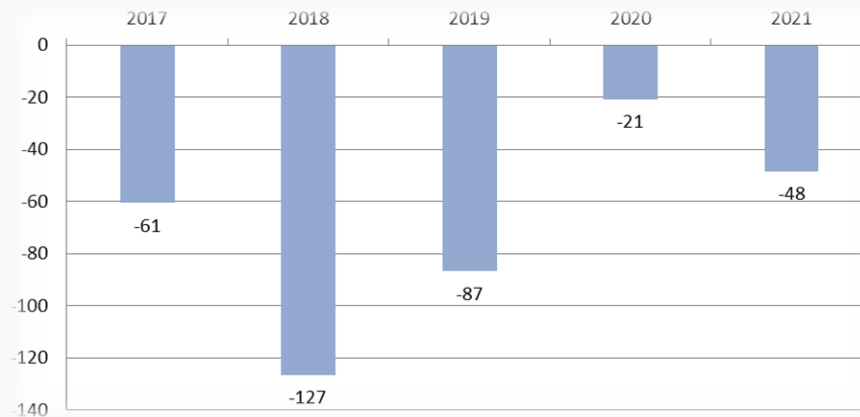
Capital structure

Figures in IDR billion, as at 31 March 2017



Loan maturity profile

Figures in US\$ million



Total borrowings as of 31 March 2017 stands at US\$343 million

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 Source: Company information

Funding sources

Continue to tap diverse funding sources whilst managing cost effective and conservative leverage is a key part of our active investment operating model

- 1 **Bank Loans**
 - Types: Revolving Credit Facility, Bilateral Loan
 - Banks: SCB, ING, Natixis, and HSBC
- 2 **Medium Term Notes**
 - Issued a 3-year IDR 725 billion MTN in October 2014 with a fixed rate of 11.75%
 - Offered under private placement
 - Arranger: DBS Vickers
- 3 **Exchangeable Bond**
 - Issued a 5-year, put option at year 3, US\$100 million EB in May 2015 with a coupon of 3%, YTM 3.75%
 - Exchangeable to TBIG common shares at IDR 10,707

Cash Availability:

- Preserve Cash at Saratoga's parent level sufficient to cover our borrowing principal
- Keep Bank facility available for immediate needs

Operating Expense vs. NAV

(In IDR billion)

Cost ratio & Coverage ratio	Opex/NAV	Opex + Interest/N AV	Dividend/ Interest	Dividend/ Interest + Opex.
2013	0.61%	1.73%	1.1x	0.7x
2014	0.45%	1.43%	1.2x	0.8x
2015	1.03%	2.81%	1.1x	0.6x
2016	0.74%	2.18%	2.19x	1.4x

Operating Expense

- We maintain low operating expense at parent level below 1%.
- Operating Expense includes salary, rental, professional fees, and other operating expenses at Saratoga parent level.
- The increase in OpEx/NAV ratio in 2015 was driven by both the decline in NAV and increase OpEx related to investment due diligence activities and EB issuance.



Change to Financial Reporting Presentation

Starting from the first half of 2016, we began to apply “PSAK 65: Exemption on the Consolidation” in reporting our financial performance, which is aligned with the Company’s business model as an active investment company, provides more transparency to daily business activities and reflects the true value growth of the Company

As the change is applied prospectively, the Company’s 2016 financial reports is not comparable with its 2015 financial reports

<i>Key accounting changes</i>	Financial reports prior to 2016	Financial reports from 2016 onwards
Operating subsidiaries	<ul style="list-style-type: none"> Consolidated into accounts 	<ul style="list-style-type: none"> Not consolidated except for subsidiaries that are considered an extension of the Company’s investing activities i.e. provide investment management services
Investments in controlled entities, associates and joint ventures (with ownership of ≥20%)	<ul style="list-style-type: none"> Accounted at equity value 	<ul style="list-style-type: none"> Accounted as fair value to profit and loss New account of “Unrealized Net Gain on Investment in Equity Securities” to reflect unrealized potential gain
Investments classified as Available for Sale (with ownership of <20%)	<ul style="list-style-type: none"> Accounted as mark-to-market to Other Comprehensive Income account 	<ul style="list-style-type: none"> Accounted as mark-to-market to Other Comprehensive Income account



PT Saratoga Investama Sedaya Tbk.

Correspondence Address:

Menara Karya 15th Floor

Jl. H.R. Rasuna Said Kav. 1-2

Jakarta 12950

For further information, please contact:

Investor Relations at Investor.relations@Saratoga-investama.com